

EIP Assessment Presentation to CIO Council
October 20, 2004, 1:30 PM
Wallace Building Auditorium

Opening Comments by John Gillispie and Mollie Anderson:

The EIP Assessment is a study to determine the feasibility of consolidating IT staff and functions within the Executive Branch of Iowa State Government. The Legislature mandated (in House File 534) that at least one alternative be full consolidation. The EIP Assessment was mandated by the Legislature. DAS/ITE coordinated the effort, but did not lead it. From the outset, DAS/ITE also worked with the CIO Council to engage them in the process.

An RFP was written to select a consultant who will perform the assessment. The CIO Council was engaged in this process to write, score and select a consultant. The selected consultant is Coeur Business Group from St. Louis.

A steering committee was formed to make decisions for the assessment. A committee was formed with some members from the CIO Council work group, an AFSCME representative, three department heads, state government business leaders and DAS executives, and the committee is headed by Mollie Anderson.

Agencies completed IT spreadsheets for the assessment about their IT organization, and these spreadsheets were designed with input from the CIO Council and the Coeur Group consultants.

Coeur Group interviewed the participating agencies to collect information at a high level regarding the agency's customer and business requirements. These high level interviews were performed with the agency director, the CIO and other key staff members.

Coeur Group then conducted a number of technical workshops to determine the current IT capability of all organizations. These workshops were held with agency CIOs and key members of the agency IT staff.

Using the material from the requirements gathering and current IT capability phases, a gap analysis for the assessment was performed. Coeur Group will compare the requirements that were documented in the high level interviews with the baseline information from the technical workshops and IT spreadsheets. This comparison told Coeur how far Iowa must grow in IT capability to meet the business and customer requirements.

The three scenarios for the EIP Assessment have been drafted, with one scenario being the complete consolidation of all IT staff and hardware into one centralized department. This centralized scenario was specified by the legislation that created DAS, as the Legislature requested the consolidation study to be performed.

The EIP Assessment steering committee will review the final version of the study before it is submitted to the legislature. The study is to be completed by December 1, 2004 and presented to the Legislature by December 15, 2004.

The Coeur Group is responsible for formulating the three scenarios that will be presented to the Legislature by December 1st, not DAS. DAS has tried very hard to ensure that this process is as collaborative and inclusive as possible. The study is not yet final, there is an opportunity for one more round of input. We want to encourage questions. Please submit your questions and they will be addressed. Coeur Group indicated that recommendations are still being accepted through October 27. No final decisions have been made yet on consolidation. The Legislature will be the deciding body. Coeur Group's task is to provide three unbiased alternatives for the Legislature's consideration.

Questions:

1. Q: At the CIO meeting last week, the comment was raised for the need to present the EIP model information to CFO's and agency directors. Does DAS or Coeur plan to do that?

A: CIO's in the agencies are encouraged to communicate with stakeholders in their agencies. DAS will host a presentation at some point in the future for interested parties.

2. Q: Define who the stakeholders are and what the engagement with them is?

A: Stakeholders are anyone who has an interest in this study. From Dictionary.Com the definition of Stakeholder is: "Any party that has an interest in an organization. Stakeholders of a company include stockholders, bondholders, customers, suppliers, employees, and so forth."

3. Q: Do any of the models call for more than one data center? Explain.

A: See question 74.

4. Q: If Coeur presents the study to the Legislature, does that mean that DAS endorses Coeur's findings?

A: No, DAS does not endorse any particular scenario. By law, DAS was required to complete the study and present the results to the Legislature. DAS has done everything it can to make the process inclusive but the conclusions reached by the consultant are theirs alone.

5. Q: What do the colors represent (on the red/yellow/green spreadsheet)?

A: Scoring represents areas which reveal department IT management focus as compared to IT industry standards of operations and highlights potential areas of improvement. The Control Objectives for IT (CoBIT) addresses 318 specific IT operational control points. Utilization of these indicates a relative order of operational maturity within an IT organization. In an operational maturity roadmap, areas represented by green would have a low priority to improve since they are already at or near best practice range. Yellow indicates areas where a

moderate level of effort should be provided for improvements. Red indicates areas which would require a high level of urgency that should be acted upon based on appropriateness to the operation and consistency and alignment with business drivers within your operation.

6. Q: We're all red, but we are happy with our system and it runs fine.

A: The issues here are twofold: 1) how the system runs, 2) managing the IT operation. Areas of increasing scrutiny include information audit and control (information and project audits, fraud control, etc.) These areas are becoming quite prevalent in the IT industry.

For more information about this matrix:

The Operational Maturity matrix, (the red, yellow, green chart) is a compilation of material from the technical workshops conducted in August. Not all of the agencies (40+) included in the study were able to attend these workshops and thus not all agencies are listed in this matrix. However, for purposes of this assessment, there was sufficient participation of agencies at the workshops to allow the material gathered to be a statistically significant sample.

The scores for the agencies were self-assessed by various members of the agency staff. The criteria used in this matrix is based on CoBIT and is a widely recognized method of scoring maturity of operations for IT organizations.

Red means that it has a high operational priority to look at it for improvements. Some red boxes mean that that particular service or function is not performed by the agency. Remember that although an agency may do very well at providing their own IT services to their own internal customers, a score may be low when scored against criteria for providing enterprise services or following enterprise standards or methods. The focus of this study is to determine the best method for realigning IT services to save money spent on IT while not sacrificing delivery of critical resources.

7. Q: How do you deal with the positive bias?

A: This matrix represents one aspect of the entire assessment process. The input was derived directly from self-assessments provided by each IT department leader and/or department IT staff. This data alone does not directly drive the final recommendations. The assessment covers numerous areas and is developed from various vantage points from process, technology and organizational perspectives. As with any assessment, outputs are intended to be utilized for improvement efforts as well as consultant recommendations.

8. Q: Will you let us know what questions/answers/factors yielded the results that we see (i.e., what information resulted in an area being red, green, or yellow)?

A: Yes. The input was derived directly from self-assessments provided by each IT department leader and/or department IT staff during IT focused workshops. The quality of the report is directly attributed to the data provided by the surveyed departments. The baseline of green relates to a score of 65 or greater, the yellow is 40 to 64, and red with a score of 39 or below.

The results will be summarized in the final report listed by 8 categorical areas of the assessment by department, which include Strategy and Planning, Administration, Human

Resource Management, Production Services, End User Computing, User and IT Interface, Communications Systems, and Sourcing.

9. Q: What are the abbreviations RTB, GTB, and TTB?

A: In categorizing budgets, Coeur Group's methodologies define distinct categories of IT investments which allow a clear and detailed picture of information technology spend. These categories, as depicted in the slide show, are intended to provide an example of how to categorize planned investments for budgeting in three key IT portfolios.

The first category is a ***Run The Business*** category (RTB). The core functions of IT such as base IT operations and IT resources are included in this category.

The second category is ***Grow The Business*** (GTB), and is a category for planning IT investments which will better enable the ability for technology to help grow business capability. An example might be to invest in an E-Tax application to increase tax payments online to the Department of Revenue.

The third is called ***Transform The Business*** category (TTB). Some Governors have specifically focused on investments in the technology infrastructure of their State to help *Transform* the State into a regional center for attracting commerce and economic development. The State of Virginia is one such example where Governor Warner has stated that "Transformation is the ***to be*** environment for the Commonwealth of Virginia.

Bottom line: Based on the IT Strategy employed by a state, and the direction of the governance committee, assigned funds are determined in each category.

10. Q: Did you compare with other states? How does Iowa compare with other states?

A: As part of Coeur's continuing research, we validate Iowa's requirements against other state processes in organizational constructs (i.e. centralization/decentralization/etc). While a large number of states indicate a move toward "Centralization", the word itself has very different connotation in each state. Centralization and consolidation are sometimes interchanged as to their meaning. In Iowa, as in some other states, true total cost of IT spending is not clearly defined based on a number of factors including, but not limited to, the methods and tools available and utilized for budgeting and planning. In most states where departmental budgets are managed with no centralized budgeting process in place, there are captive dollars in the system. That means there are dollars that are not accounted for from an IT perspective. Compared to other states, Iowa's Statewide IT spend in the 40 departments within the EIP Assessment is approximately \$124 million. This appears on the low end of the benchmarks. Regardless of the benchmark number, the assessment is validated against the spreadsheets provided as part of the EIP Prep package, developed by each department.

11. Q: What is the peer group data based on?

A: The peer group data is based upon worldwide benchmarks from recognized research organizations such as Meta Group and Gartner Group, as well as Coeur Group's independent research of the public sector and our own client knowledge base.

12. Q: In Alternative 1, when you talk about centralized IT, what does that mean?

A: Based on directives in HF534, centralized IT means centralized management and financial control of all statewide IT resources, products, services, equipment and associated staff as part of a single IT organization construct.

13. Q: Under the "possibility of success" component that you intend to provide with each of the three alternatives, do you list the factors that result in that rating?

A: Yes. Coeur Group provides a "Probability of Success" for each organization Alternative. Success is meant to imply meeting the cost reduction goals of each Alternative with same or better levels of IT service delivery as in the current environment. The success factors are rated on 3 axes, driven by common executive vision, business drivers and gaps in IT/Business alignment.

14. Q: Some of the boxes in Alternative 1 are two colors.

A: Yes, that means that they have elements of both categories. We have depicted in each Alternative a color code (shown on each Alternative), which depicts primary and secondary functional focus.

15. Q: In Alternative 1, what it boils down to is that everyone works for the central unit except those in orange boxes?

A: In Alternative one Coeur Group has depicted the "Centralized IT Organization" and mandated by House File 534. That is to say that all IT functions report to one central IT CIO. Resources could still reside in a department environment, however the direct reporting is centralized. The "Orange" boxes in Alternative one depict those IT functions which are relating to interfacing and supporting External Service Providers (ESP). The only service provider shown in this example is ICN which is a pure orange box. ICN is viewed as an Internal Service Provider (ISP). Other outside vendors would be External Service Providers (ESP).

16. Q: Alternative 2: In this model, the agency doesn't appear to have any control over when projects are done.

A: In Alternative 2, all projects are planned and funded during the normal budget cycles and updated at least quarterly. Once projects are funded, they are planned for implementation and responded to by the Project Management Office which maintains direct management responsibility for all Project Managers (PMs). Note the IT and Departmental coloration of the Project Management Office (PMO) box on the Scenario. The PMO is coupled relationally directly to the departments and is responsible for the project delivery in the departments. As

such, the Project Manager (PM) and subsequently the Project Management Office (PMO) is the primary link for continual prioritization and delivery of these ongoing project implementation services.

17. Q: Is there any kind of scale in which this kicks into effect, for example, what about a \$10,000 project?

A: There are always exceptions and there should be a fast track (exception process) for smaller projects. Details of exact operation are part of an overall implementation plan. Details such as funding limits are the responsibility of the Governance policy defined during implementation of the Alternative.

18. Q: Is Alternative 2 looking similar to the federated model that the CIOs proposed?

A: Components of Alternative 2 already contain components of the suggested CIO proposed Alternative, but the CIO proposed Alternative most closely resembles the current state. However, differences in Alternative 2 compared to the CIO proposed alternative include:

- Direct reporting to the State CIO.
- Performance and accountability for areas of responsibility as well as policy recommendations.
- Dual leadership functions of department relationship management and competency area of focus.

19. Q: Who do the people in the very bottom rowing section report to?

A: These models are organizational constructs and not organization charts. Although to answer the question, in reference to Alternative 2, the individuals in the stated functional department areas would work directly for the departments.

20. Q: What happens if no one wants/needs that person/resource?

A: Model 2 is based on a shared pool of resources at the common infrastructure level. One of the baselines for implementation of this Alternative is to complete a statewide inventory of IT skills and competencies. Based on the skills and competencies, human capital enhancements may be required, through programs such as additional training and/or certifications. If an individual is not able to be utilized because of competencies or other factors, IT management may have a utilization issue which they will need to resolve.

21. Q: What if they have value to their own department but do not have value to other departments? The employees will want to know who they report to and who manages their work. Sometimes, there are pockets of expertise.

A: In all Alternatives shown, clear lines of direct and indirect reporting responsibilities are defined in the implementation plan which is not part of this assessment. Management decisions to address pockets of expertise and other expectations are normally part of an implementation plan. In every case in which we are aware of, transitions of this nature take

significant amount of time and management effort into preparing the workforce for change. This usually includes indoctrination in the new organization, definition of management's responsibilities, reporting relationships, and setting individual expectations.

22. Q: Explain more about building and rowing? Is this the same as the federated model submitted by the CIO Council?

A: In the Alternatives depicted, "Steering, Building and Rowing" are terms utilized to represent actions taken by different groups or functions. In his book **"Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector"** David Osbourne utilizes the Steering and Rowing terminology to separate functional responsibilities into clearly defined entities. Again, the point of the "Service Provider Mode" is to achieve maximum utilization of scarce IT resources across the state.

23. Q: Entities stay where they are today, but you build mechanisms to share resources across the enterprise?

A: It depends on which model you are referencing. As a general rule resources which provide direct services to departments would likely remain in the departments to ensure maximum understanding and knowledge of the business.

24. Q: Who governs where a particular employee goes? Most agencies do not have underutilized staff? How does the negotiation work with the Governance Board?

A: As stated earlier, a complete human capital inventory of skills is a necessary starting point to understand skills and competencies available across the state. Since most IT implementation is completed via projects, the Project Management Office (PMO) is central to understanding variables of all current and planned projects. IT management and the Project Management Office (which has the pulse of project status), make the predominance of the resource sharing decisions. The Governance Board is responsible for Strategic (Steering) decisions on funding, and not resource balancing. In both Alternative 1 and Alternative 2 there is centralized management of funding.

25. Q: Somewhere, the importance of this process needs to be communicated to the agency heads. You are asking them to give up control of their funding. Getting the agency head to understand this would be an important asset to getting this accomplished. In Alternative 2, down at the bottom, the blue/green means that the person works for the department but also works for centralized IT?

A: Yes.

NOTE: A suggestion was made to clarify Alternative 2. "Centralized IT" should be changed to "Centralized IT Service" or "Centralized IT Function."

26. Q: The colors in Alternative 2 look like light blue and dark blue.

A: The Chief Technology and Chief Security as well as the Enterprise Architecture boxes are blue and teal.

27. Q: Is there any significance to the bi-colored boxes where some are blue on top/green on bottom and some green on top/blue on bottom?

A: Yes. The intent is to show the primary and secondary relationship of the function. The top color denotes which function "Funds" the function, the bottom color denotes the "Relationship of Work" the function provides.

Examples: If the box is blue on the top, green on the bottom, that means that you work for the centralized IT entity, but focus on Department work effort. (i.e. Client Relationship, Support Strategies, service delivery).

If the box is green on the top, blue on the bottom, that means you live in and work for the department, but you are a resource that can be used across the enterprise. (i.e., application development, application support)

28. Q: What is the cost analysis for Alternative 2?

A: The cost analysis for Alternative 2 is approximately 5% to 7% savings, and a probability of 70% to 85% successful implementation.

29. Q: Blue boxes mean central IT organization, centrally managed, but not necessary centrally housed?

A: Yes, in the Alternatives depicted that is the case.

30. Q: Alternative 3: For Centralized IT, will data center servers, networks, administrative support, and help desk all be centralized into one IT department?

A: Yes, In Alternative 3 they are centralized into the operational services function.

31. Q: How does this differ from Alternative 2?

A: They are the similar in that in Alternative 2 they are centralized into the Service Delivery Functionality under Client Services

32. Q: In Alternative 3, who controls the money?

A: In all cases funds are prioritized and allocated for investment purposes by a Governance Board at budget and planning time.

In Alternative 1 all new investment in technology and infrastructure are reviewed and managed by the governance board which approves projects and funding requirements. All infrastructure and resource funding is centrally managed by the Statewide CIO.

In Alternative 2, all new investment in technology and the common infrastructure are reviewed and managed by the governance board which prioritizes and approves projects and funding requirements. Departmental IT resource funding is provided by the departments.

In Alternative 3, all new investment in technology projects for the common infrastructure are reviewed and managed by the governance board. Departments manage departmental resource and operational funding and buy services from the primary provider of Shared Infrastructure Services.

33. Q: Were other models considered and why did you choose Alternatives 2 and 3?

A: Coeur Group looked at 40 + working Alternatives. The three chosen give a spread of flexibility and provide the highest possibility of success.

34. Q: Will the final report be made available for review and comment prior to being made available to the Legislature?

A: No, it is to be an unbiased report, however Coeur continues to remain open for comments and information at all stages of this engagement. Coeur has interviewed various Legislative members to gain a clear understanding of the intent of the legislation which drove House File 534 and the unbiased view they are expecting in the final report.

Comment from Mollie: DAS hired a firm to look at this issue from an unbiased perspective. It is inaccurate to describe the process as a “floor flight.” This should not be characterized as an “us versus them” issue.

35. Q: Typically a report gives a baseline.

A: Coeur has included the baseline (the current structure) and the three alternatives in the study, as is previewed in this draft of the study.

36. Q: Will there be any discussion with regard to whether the current model is actually broken?

A: Mollie advised that the Legislature wouldn’t have asked for the study if they didn’t believe it was needed. Initially, there was to be no study at all, the Legislature wanted to go ahead and implement a centralized and consolidated version for all IT services.

Mark Peterson added that the Legislature’s main questions are: Are you leveraging the resources effectively, how can scarce resources be better utilized, can you apply basic IT disciplines across the enterprise?

37. Q: Are you going to present the costs associated with any alternative?

A: Yes, Coeur provides cost impacts for each Alternative as well as the probability of successful implementation in Iowa's environment. Cost of implementation as well as breakeven analysis has been completed for each Alternative.

38. Q: When you did the analysis, did you include how much federal money is being leveraged? We don't want to jeopardize potential moneys coming to the department.

A: Yes, that was all definitely considered. Coeur Group took extra steps to ensure all funding patterns and processes were clearly defined. Our process diagrams of the State of Iowa's funding process was validated by a number of Department CFO's as well as the Department of Management. Additionally, funding strategies are validated against other states which have or are going through various stages of consolidation or centralization.

39. Q: Was your scope to study centralized models only?

A: No, the scope was to have a fully centralized alternative and two other alternatives.

Questions submitted on cards that may not have been answered during the session:

40. Q: All three models centralize network management. How are some departments' federal mandates to maintain/administer their own network's requirements being addressed? Are these exceptions to the rule?

A: Federal mandates may require special handling based on funding requirements.

41. Q: When will the data and impact analysis information be provided for review that leads Coeur Group to recommend these three alternatives? To date, only conclusion has been provided for review.

A: Coeur Group has provided all working documents to the project team responsible for check off of deliverables.

42. Q: Which alternative most closely reflects the CIO alternative?

A: The CIO's alternative is a fourth alternative and most closely reflects the current state.

43. Q: From your perspective, what would be the impact analysis based on the study objectives if the Legislature chose to implement the CIO recommendation?

A: This is not part of the engagement. The engagement is to recommend three Alternatives one of which is a fully centralized IT organization.

44. Q: How does Iowa's IT expenditure compare with comparable states?

A: As indicated in the benchmarks, Iowa's reported IT spend patterns are shown at the lower end of the comparison peer group.

45. Q: What is the impact of each alternative on federal match and federal supplanting issues?

A: Federal mandates may require special handling based on funding requirements. These requirements are expected to be defined during the planning phase.

46. Q: Was your contract deliverable to develop three centralized models or develop one centralized model and two other alternatives to meet the 4 study objectives?

A: The directive of the contract, in support of HF 534, is to provide a fully centralized IT mode (all personnel, assets and resources), plus two other alternatives that would provide positive impact for the State of Iowa.

47. Q: Who is the enterprise investment governance board?

A: The Enterprise Investment Governance Board is made up of senior management with a statewide vantage for investments.

48. Q: What is the centralized funding control in the alternatives?

A: In all alternatives, new IT initiative funding is focused through an Enterprise Governance board.

49. Q: What is the meaning of the centralized IT color coding in the alternatives? The meaning was explained differently in each alternative.

A: The color-coding is the same in all alternatives.
Yellow = Governance and review function
Light Blue = Centralized IT functionality
Teal = Architecture and Infrastructure functionality
Orange = External Service Provider Functionality
Green = Departmental Functionality.

50. Q: In Alternative 2, give me a real life example of how the project management office works by using the I/3 project as one example or by using a departmental specific example, such as an application to manage voter registration roles.

A: In Alternative 2 all projects are planned and funded during the normal budget cycles and updated at least quarterly. Once projects are funded, they are planned for implementation and responded to by the Project Management Office which maintains direct management responsibility for all Project Managers (PMs).

Regarding Alternative 1:

51. Q: If the Legislature demands an outcome before you even study options, isn't that skewing the results?

A: No. Part of the recommendation explores the ramifications of total consolidation. Other options are the result of the unbiased assessment process.

52. Q: I work in Marshalltown. Would we report to someone in Des Moines or would some of the staff move to Des Moines?

A: Locations for employees is part of implementation planning. Locations may or may not change, and the reporting structure may or may not change.

53. Q: Is the goal to consolidate hardware and software or is the goal to consolidate personnel too?

A: The goal as specified in the legislative bill was to consolidate all IT personnel and infrastructure in one centralized department. Two additional scenarios to the centralized Alternative were asked for in the RFP, at the inclusion of the CIO Council work group. Coeur Group's task was to give three different alternatives to consolidating IT staff and infrastructure, with one being the centralized Alternative asked for in the DAS legislation.

Regarding Alternative 2:

54. Q: In model 2, enterprise architecture and infrastructure are not color-coded.

A: In Alternative 2 Enterprise Architecture and Infrastructure are color coded.

Regarding Alternative 3:

55. Q: Where is the decision making made regarding personnel (hire fire discipline etc) for those staff identified as department resources

A: In Alternative 3 the manager has those responsibilities.

56. Q: What is the distinction being made with CIOs in 3 and not 2? If I understand 3, it is trying to say that IT resources other than those centralized in NOC/DC will remain in agency and this would be primarily applications, help desk and desktop support. If true, is this the reason for thinking that the CIO lives in 3 but not 2?

A: In Alternative 2 the departmental CIO function is part of the Office of the CIO. In Alternative 3 the Departmental CIO report to the department director. And receives standards from the Office of the CIO and the Governance Board.

57. Q: With model 2 what is the vision as you understand it of how this will be executed. Will some magical funding amount be removed from the agency and then each project that has the word IT in it have to go to the Board to pick up approval and \$\$\$. Of course I don't expect anyone to understand how this work I am simply asking is the expectation.

A: In Alternative 2 all projects are planned and funded during the normal budget cycles and updated at least quarterly. Once projects are funded, they are planned for implementation and responded to by the Project Management Office which maintains direct management responsibility for all Project Managers (PMs).

Overall Questions about the Alternatives:

58. Q: Do you have a presentation for the existing model?

A: Yes. The existing Alternative is shown in the slide set provided with this presentation, and is the next slide after Alternative 3.

59. Q: On Alternative 3, is it correct that about all that stays within the department is applications and desktop support?

A: Yes, as well as mission critical and new technology that needs to be developed to move the department forward.

60. Q: What about the expense of the different models?

A: Each Alternative has an impact analysis defining probability of successful implementation, cost impact for transition, break-even analysis and net cumulative savings as well as cultural impacts.

61. Q: On Alternative 1, where are the resources?

A: In Alternative 1, all resources report to the centralized department (capital assets and human resource assets), although they may remain housed where they currently are.

62. Q: What if you do more than one function and in the new model, those functions are split?

A: It is important to note that the charts shown are not organizational charts; rather they are Alternatives of IT constructs. Employees provide functionality which may fall into more than one categorical box in these Alternatives.

63. Q: Is Coeur making a recommendation about hardware, server consolidation, etc. or just personnel?

A: Yes, all of that. Centralized Alternative 1 would mean consolidation of personnel, hardware, software, applications, etc.

64. Q: What is the timeframe for Alternative 1?

A: Three to five years for full implementation.

65. Q: How many facilities does this affect? How many of them are decreasing staff?

A: For Alternative 1, every department/agency in every location. Answer to the second question is unknown.

NOTE: Even though it says centralized, most of the Executive Branch is included, however not the Board of Regents, Judicial Branch, Legislative Branch, or departments headed by elected officials.

66. Q: Why was the Legislative Branch not included?

A: Initially, it was intended that everyone participate, however when the study began, not everyone was willing to take part. That information will be passed on to the Legislature.

67. Q: Rank the three models on start-up costs.

A: The Legislature has requested three Alternatives and the cost of implementation and the potential savings of each Alternative.

68. Q: How much did this study cost?

A: Coeur Group will be paid approximately \$448,000. Note: That does not include state staff time and effort expended for the study.

69. Q: Has Coeur Group completed a similar study for other states and what was the recommendation?

A: Yes, however client confidentiality does not permit us to disclose the details. Coeur Group's consultants have provided full centralized strategies; Process focused strategies as well as decentralized strategies, all based on the requirements of the individual client environment. In the public sector Coeur Group's consultants have provided these services for Federal, State and Municipal forms of government, as well as fortune 500 private sector clients.

70. Q: How many other states are using one of these three alternatives and have been successful for four years?

A: These alternatives are specifically designed for the State of Iowa based upon a number of factors including but not limited to: common executive vision of 40 department heads, identified business drivers of these departments, gaps in IT operational expectations and numerous other assessment points. There are a number of states that have or are in the process of consolidating and/or centralizing IT services and functions in various manners.

71. Q: Does anyone have total consolidation?

A: Yes, but many states are at different levels of consolidation. Centralized consolidation is determined in three major areas: reporting, infrastructure and resources. Currently Kansas,

South Dakota and Michigan have centralized reporting. South Dakota is completely centralized in both infrastructure and resources. Other states are at various stages of centralizing infrastructure and resources. For example, Michigan is 18 months into their process of centralizing these two IT areas but has not completed the process.

72. Q: In the centralized model, there may be last minute federal mandates. How will that work?

A: It should happen in the same manner it does today with management involvement and decision-making.

73. Q: What is the timeframe for Alternatives 2 and 3?

A: Alternative 2: approximately two years for full implementation. Alternative 3: 12 to 18 months

74. Q: Do all three alternatives consolidate the three data centers?

A: All three alternatives consolidate the three data centers into two data centers.

75. Q: When will we be able to see the data behind these alternatives?

A: A full report document is due December first with a presentation to the Legislature after that date.

76. Q: Which option does Coeur intend to recommend?

A: Coeur Group will be recommending all three. Coeur is tasked to present the pros and cons of each of the Alternatives presented. The Legislature will choose the course of action.

77. Q: Will Coeur present the pros and cons of leaving things the way they are?

A: Yes.

78. Q: How will we know what the Legislature decides?

A: By agency Legislative contacts, DAS website, etc.

79. Q: If Alternative 1 were chosen, what would happen to our jobs? Would we have to re-bid for our jobs, would our jobs be protected?

A: Mollie responded: First, Iowa is covered by Merit. Second, Governor Vilsack has a very positive relationship with unions and believes very strongly that employees should be treated in a respectful manner.

NOTE: The current value of personnel and hardware in the 40 departments is \$124 million dollars. The Legislature is interested in reducing expenses or getting a better value for the money. Mollie cautioned people not to discuss this issue in a territorial fashion (i.e., what does/doesn't work for your particular agency).

80. Q: Some departments and agencies have access to grant money. Will someone address that issue?

A: This has been studied and the flow of money charted through the state system, so we are aware of this issue. Any implementation plan for transition to either of the Alternatives will require funding flows to be a central element of the plan.

81. Q: How do we know that the Legislature that looks at the study will be the same one that asked for the study?

A: In short, we don't.

Questions/comments submitted on cards that may not have been answered during the session:

82. Q: It appears to me that communication will be very important in any model – even the current one. How do we assure/change and fix that problem?

A: To effectively transition and maximize the state of Iowa's regional leverage will take a commitment from the Executive Branch, Legislators and Department heads.

83. Q: If department heads don't communicate and work together across agencies, no plan will work.

A: Communication is essential in providing quality services with constraints on funding. The funding constraint trends for states will continue through 2007, with leading states utilizing Information Technology as a strategic asset to leverage economic growth and attract high-level talent to business environments and educational institutions.